

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO**

The State of New Mexico, through its Oil Conservation Commission, hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held beginning at 9:00 AM. on **February 28, 2017**, in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at (505) 476-3458 or through the New Mexico Relay Network at 1-800-659-1779 by **February 18, 2017**. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 72 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/. A party who plans on using projection equipment at a hearing must contact Ms. Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment.

STATE OF NEW MEXICO TO:

**All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

De Novo Case No. 15441: Application of Nearburg Exploration Company L.L.C., SRO2 LLC and SRO3 LLC for an Accounting and Limitation on Recovery of Well Costs, and for Cancellation of Application for Permit to Drill, Eddy County, New Mexico. Applicants seek an order determining that COG Operating LLC (“COG”) did not have the right to drill two two-mile long lateral wells that COG drilled and completed in the Bone Spring formation by willfully trespassing from surface locations in Section 17 onto unconsolidated and unpooled lease acreage owned by Nearburg Exploration Company in the W/2 of Section 20, Township 26 South, Range 28 East, N.M.P.M., in Eddy County, New Mexico. The wells in trespass are the SRO State Com 043H (API 30-015-41141) located in the W/2 W/2 of Sections 17 and 20 (“043H”) and the SRO State Com 044H (API 30-015-41142) located in the E/2 W/2 of Sections 17 and 20 (“044H”). Both wells were drilled to and completed in the 2nd Bone Spring Sand, Hay Hollow Bone Spring Pool (30215). Applicants further seek an order requiring COG to account and pay to Applicants the amounts of production proceeds they are entitled in the absence of pooling, without recovery of well costs or expenses. Applicants also seek cancellation of the application for permit to drill the COG SRO State Com 069H Well (API 30-015-43093) projected to be drilled to the 3rd Bone Spring formation in the E/2 W/2 of Sections 17 and 20, T-26-S, R-28-E. Applicants may also seek the removal of COG and designation of Nearburg Producing Company as the operator of the SRO State 016H well (API 30-015-38071) located in the W/2 W/2 of Section 20, T-26-S, R-28-E. The wells and lands are located approximately twelve miles southwest of Malaga, New Mexico. Upon application of Nearburg Exploration Company, L.L.C., SRO2 LLC and SRO3 LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

De Novo Case No. 15481: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 20, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is dedicated to applicant’s SRO State Com #43H well, which has been horizontally drilled from a surface location in the W/2 W/2 of Section 17 to a bottomhole location in the W/2 W/2 of Section 20. The completed interval for this well is within the 330-foot standard offset required by the rules. Also to be considered will be the actual cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, and designation of COG Operating LLC as operator of the well. Said area is located approximately 12 miles southwest of Malaga, NM. Upon application of

Nearburg Exploration Company L.L.C., SRO2 LLC and SRO3 LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

De Novo Case No. 15482: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is dedicated to applicant's SRO State Com #44H well, which has been horizontally drilled from a surface location in the E/2 W/2 of Section 17 to a bottomhole location in the E/2 W/2 of Section 20. The completed interval for this well is within the 330-foot standard offset required by the rules. Also to be considered will be the actual cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, and designation of COG Operating LLC as operator of the well. Said area is located approximately 12 miles southwest of Malaga, NM. Upon application of Nearburg Exploration Company L.L.C., SRO2 LLC and SRO3 LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 31st day of January, 2017.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

David R. Catanach, Chair

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